

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3060

To authorize the Secretary of the Treasury to issue regulations to require that the pay of Federal employees be paid by electronic funds transfer or any other method determined by the Secretary to be in the interest of economy or effectiveness, with sufficient safeguards over the control of, and accounting for, public funds.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 14, 1993

Mr. DARDEN introduced the following bill; which was referred to the  
Committee on Government Operations

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## A BILL

To authorize the Secretary of the Treasury to issue regulations to require that the pay of Federal employees be paid by electronic funds transfer or any other method determined by the Secretary to be in the interest of economy or effectiveness, with sufficient safeguards over the control of, and accounting for, public funds.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Electronic Funds  
5       Transfer Federal Salary Act”.

1 **SEC. 2. SAFE, ECONOMICAL, EFFECTIVE PAYROLL ADMINIS-**  
2 **TRATION.**

3 (a) IN GENERAL.—Section 3332 of title 31, United  
4 States Code, is amended by striking subsections (a), (b),  
5 (c), (d), and (e) and inserting the following new sub-  
6 sections:

7 “(a) FINANCIAL ORGANIZATION DEFINED.—For  
8 purposes of this section, the term ‘financial organization’  
9 means a depository institution (as defined in section 3(c)  
10 of the Federal Deposit Insurance Act), a Federal or State  
11 credit union (as defined in section 101 of the Federal  
12 Credit Union Act), or a similar institution.

13 “(b) ELECTRONIC FUNDS TRANSFERS OF PAYMENTS  
14 OF EMPLOYEE PAY.—

15 “(1) SECRETARY AUTHORIZED TO REQUIRE  
16 ELECTRONIC TRANSFERS.—Notwithstanding any  
17 other provision of law, the Secretary of the Treasury  
18 (hereafter in this section referred to as the ‘Sec-  
19 retary’) may prescribe regulations requiring the pay  
20 of any employee of any agency to be paid by elec-  
21 tronic funds transfer or any other method deter-  
22 mined by the Secretary to be in the interest of econ-  
23 omy or effectiveness if the Secretary—

24 “(A) determines that such requirement is  
25 practicable; and

1           “(B) establishes and maintains sufficient  
2           safeguards over the control of, and accounting  
3           for, public funds in connection with any such  
4           transfer.

5           “(2) DESIGNATION OF FINANCIAL ORGANIZA-  
6           TION RECIPIENT.—Any regulation prescribed under  
7           paragraph (1) shall require any employee whose pay  
8           is subject to such regulation to designate the finan-  
9           cial organization to receive the payments of such  
10          pay.

11          “(3) REPORT OF DESIGNATION.—Any certifi-  
12          cation which is made by the head of an agency with  
13          respect to the payment of employee pay of an em-  
14          ployee whose pay is subject to regulations prescribed  
15          under paragraph (1) shall contain such information  
16          about the financial organization designated by the  
17          employee under paragraph (2) as the Secretary may  
18          require.

19          “(4) TRANSFER FEES PROHIBITED.—

20                 “(A) SECRETARY.—The Secretary may not  
21                 charge any financial organization any fee in  
22                 connection with any payment made in accord-  
23                 ance with this section.

24                 “(B) FINANCIAL ORGANIZATION.—No fi-  
25                 nancial organization may charge any employee

1 of an agency for handling payments by the Sec-  
2 retary to the employee in a manner authorized  
3 by the Secretary pursuant to this subsection.

4 “(5) EXEMPTION AT REQUEST OF EM-  
5 PLOYEE.—The Secretary may, at the request of any  
6 employee who was employed by the United States  
7 Government on the date of the enactment of the  
8 Electronic Funds Transfer Federal Salary Act and  
9 whose annual rate of basic pay is less than \$20,000,  
10 exempt such employee from the requirements of this  
11 section.

12 “(6) NATIONAL SECURITY EXCEPTIONS.—

13 “(A) IN GENERAL.—No provision of this  
14 section shall be construed as impairing or af-  
15 fecting any provision of section 102(d)(3) of the  
16 National Security Act of 1947 or section 6 of  
17 the Central Intelligence Agency Act of 1949.

18 “(B) EXEMPTION OF CIA AUTHORIZED.—

19 The Director of the Central Intelligence Agen-  
20 cy, or a designee of the Director, may exempt  
21 the Central Intelligence Agency and any em-  
22 ployee of such agency from regulations issued  
23 pursuant to paragraph (1) and the require-  
24 ments of paragraph (3) if the Director or des-  
25 ignee determines that compliance with such reg-

1           ulations and requirements would risk disclosure  
2           of intelligence sources and methods or com-  
3           promise the security of foreign intelligence or  
4           counterintelligence activities.

5           “(c) EFFECT OF PAYMENT.—The acceptance by a fi-  
6           nancial organization of a payment of an amount by the  
7           United States in any manner authorized by the Secretary  
8           pursuant to subsection (b) or (d) shall constitute full ac-  
9           quittance of the United States for such amount.

10          “(d) PAYMENT OF OTHER AMOUNTS BY ELECTRONIC  
11        FUND TRANSFERS.—The payment by the United States  
12        of any amount due any person for any purpose (other than  
13        pay payable to an employee of an agency) may be made  
14        in any manner authorized by the Secretary pursuant to  
15        this section upon receipt by the Secretary of a written re-  
16        quest of such person for payment in such manner.”.

17          (b) TECHNICAL AND CONFORMING AMENDMENTS.—  
18        Section 3332 of title 31, United States Code, is amend-  
19        ed—

20                (1) by redesignating subsection (f) as sub-  
21        section (e); and

22                (2) by striking “The” in the 1st sentence of  
23        subsection (e) (as so redesignated) and inserting  
24        “Notwithstanding subsection (b)(1), the”.

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